

Suspension of Annuity During Public Employment

If you retire under the provisions of Early Retirement and are re-employed as a permanent full-time employee with a SDRS participating unit, your benefit will be suspended.

Upon re-retirement prior to age 62, your monthly benefit will be reinstated at the pre-62 amount. At age 62, your benefit will be reduced to the after-age-62 amount. If re-retirement is after age 62, your monthly benefit will be reinstated at the after-age-62 or lower amount.

Level Income Payment Option Election Form

The level income payment option election form must be signed and returned to the SDRS office prior to the expected commencement of your retirement benefit. Please note, once the election form is signed, the decision to choose the level income payment option is irrevocable.

If you retire under the provisions of Normal or Special Early Retirement, your SDRS level income payment option benefit will not be suspended upon your return to work as a permanent full-time member. However, the yearly cost of living adjustment (COLA) will be eliminated during your period of re-employment (exception for Class B Public Safety re-employed in a Class A position).

Upon subsequent retirement, you must file an application to receive either your additional allowance or refund, whichever is applicable.

To qualify as a "permanent full-time" employee, you must be placed in a permanent classification and work for twenty or more hours a week and for at least six months a year with a participating unit of SDRS.

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LEVEL INCOME PAYMENT OPTION



Level Income Payment Option Benefits

The level income payment option is a payment option you may elect if you retire early (between the ages of 55 and 62) and decide to receive retirement benefit payments immediately. The level income payment option increases the amount of the monthly payment you receive from SDRS until you are eligible to receive Social Security benefits at age 62. At that time, the payment from SDRS will decrease, but your replacement income from both SDRS payments and Social Security benefits will remain essentially the same as what you had been receiving from SDRS alone under the level income payment option.

The value of your future lifetime benefits under the level income payment option is expected to equal the value of your normal lifetime payments. This option merely provides a higher SDRS payment until age 62 and a smaller payment after that time.

You must contact the Social Security Administration to initiate your Social Security benefits.

Effects On A Survivor Benefit Upon Your Death

If your death occurs prior to you reaching age 62, your surviving spouse is eligible to receive 60% of the higher, pre-62 benefit. Then when you would have reached age 62, your spouse would receive 60% of the lower, after-age-62 benefit, regardless of whether your spouse has reached age 62. If your death occurs after you have reached age 62, your surviving spouse is eligible to receive 60% of the amount you are receiving at the time of your death.

If you become re-employed as a participating member of SDRS, upon your death, your surviving spouse is immediately entitled to 60% of either your suspended benefit or current benefit depending on your initial retirement status (Normal/Special Early Retirement or Early Retirement). Your surviving spouse is also eligible for either 60% of your additional allowance or a refund of the accumulated contributions attributable to your subsequent service. If the benefit option is elected, this additional benefit will not be payable until your surviving spouse turns 65. If you are re-employed and your death is prior

to age 62, please refer to the first paragraph of this section.

If you have not contributed to Social Security for any period of time during your working years, your level income payment option benefit may be affected by the Windfall Elimination Provision. You will need to contact the Social Security Administration citing this activity in order to receive an accurate estimate of your Social Security benefits. You must forward this more accurate estimate to SDRS for an appropriate level income payment option estimate to be prepared.

Employment After Retirement

As a retiree, you may become employed with a SDRS participating unit. If you are employed as a permanent full-time employee, you will become a contributing member of the system. If your employment is for less than a three-year period, you will only be eligible to receive a refund upon the termination of your employment. If three or more years of service are performed, you may choose to have an additional allowance attributable to your subsequent service added to your initial level income payment option benefit, or you may choose to receive a refund of your accumulated contributions from this service.